

Tempe Budget Employee Forum

Feb. 22, 2010, at 3 p.m.

Escalante Center

The following is a recap of questions asked and answers given during the last of four employee forums held in February 2010 regarding the 2010-11 city budget balancing effort. All answers were provided by City Manager Charlie Meyer unless otherwise noted.

Q1: During the last forum, there were questions about furloughs. If they are one-time savings, how will they prevent us from being back here in a year?

A: Since we don't have the option to unilaterally open the MOUs, it is my recommendation to find another solution. When we can open the MOUs next year, we need a more permanent solution for as long as it takes before we start experiencing real recovery. The sales tax ballot measure says it will sunset in four years, so what happens then. There are a few options. Ideally, growth in the economy in four years will replace that. Council could make another \$8 million in cuts in four years. Or the Council could go back to voters and ask them to extend the tax or make it permanent.

Q2: If employees are paid from the HURF fund, do those savings from furloughs go back to that fund?

A: Yes. We have a number of special funds like Water, Golf and Solid Waste and we charge users a fee to cover the costs of service. If there are savings in those funds from furloughs, the money would go back to those funds. The \$5 million being referenced deals with furloughs in the General Fund only.

Q3: Would money generated by employees paid through federal funds for housing and other programs have to go back to the federal government?

A: Section 8 funding that can only be used for administration would go back, but we would look for a way to use that.

Q4: Is it still the understanding that the furlough savings would restore from the bottom up in the proposal?

A: In the plan, many of these restorations are from a list called "Short Term Restoration Opportunities." We would restore from the bottom up starting with Level 5. The other night at the Council meeting, they looked at a variety of things that would get us to \$23.9 million, which would restore #206 and below. That includes the \$5 million in pay and benefits reductions.

Q5: We are all giving up money for furloughs but it is going back to restore mainly Police Department positions.

A: The City Council feels that employee groups have been invited to bring forward proposals which would benefit their groups as a reward. It gets tricky because if SEIU brings forward a \$2 million solution, do Police-related positions get bypassed for restoration in favor of restoring SEIU portions.

Q6: The targets were set for cuts in part on a 2-to-1 public safety to non-public safety ratio. What is the ratio when you consider how many Police positions will get restored?

A: Many different factors went into setting targets for the \$30 million goal. The Police goal was originally \$19 million according to the formula of the Target Reduction Results Team. I decided the initial target was too high and split the target in half. Fire also was a beneficiary of the 2-to-1 ratio modifier. There is no easy way to answer the question in actual dollars. Mixing the two formulas actually comes closer to a 1-for-1 across the board cut – generally 16 to 17 percent for each department.

Q7: Didn't the City Council asked for a 10-year history of departmental budget growth?

A: We provided the Council 15 years of data last Thursday. It included total employment by department. It was challenging to compare departmental structures then and now to ensure that the data was accurate. We also included the total city budgets for each year, ASU enrollment, sales tax revenues and more. The reason Council asked for this was to better understand what we've done so we don't put ourselves on this roller coaster again. City services should be provided on a stable basis so we don't ride on waves of the economy.

Q8: Are the health plan savings a result of eliminating the PPO plan?

A: We are re-bidding our insurance and have not yet awarded anything. The modifications are all based on our current plan. Employees on the PPO would be able to continue. We are negotiating savings in discounts off the normal rates by packaging it all together. It's not increasing copays or forcing any major changes.

Q9: Was a supervisor-to-employee ratio of 1:5 looked at?

A: The ratios were looked at by the Target Reduction Results Team and it was one of the factors they used in setting departmental targets. It was also looked at as part of the departmental consolidation plan. It's a general rule. Higher ratios are better than lower ratios normally. We won't know until the reorganization is done exactly where we'll end up. If it's a distinct enough function, a ratio like 1:2 may be fine.

Q10: What has the general feel been from the community forums?

A: The first two employee forums were very well attended. The public forums have been very lightly attended. Based on what Phoenix was experiencing, we thought we would have larger crowds at our community forums. Of the people who attended the community forums, many expressed concerns about public safety. Some people were interested in the library and in Parks and Recreation programs. People have brought forward the issue of balance. It has been a healthy process. You could speculate about why we have had light attendance. We've mitigated the impacts of the cuts to the community. It could be an issue of not seeing how public safety changes will affect them directly. We have been transparent about providing information and inviting feedback. There have been Council Communicator e-mail messages every day.

Q11: The City Council is coming up with their priority lists for what they think should be cut and saved. Could that process cause the list of 212 items to be totally reworked?

A: It is pretty certain that the Council is not likely to concern themselves too much about items higher in the list that don't have much chance of being saved. Anything above \$15.9 million is not likely to get restored. So why bother moving something from Level 1 to Level 3, for example? You may have Council wanting to move things a few items down, but I don't think we will have many. I hope all we do is move things around, not introduce whole new concepts for doing this. It gives them real control over their priorities. For example, one of the Fire companies is in Level 3 and another is in Level 5. A Councilmember may want to see the one in Level 3 lower down on the list. Whether that gets the approval of the majority of Council remains to be seen. Generally speaking they seem fairly satisfied with the priorities as they have been listed.

Q12: Are questions sent in by employees and the public being responded to?

A: Yes. The Public and Employee Results Team has been responding to anyone who provided an e-mail address or a way to get in touch with them. They have all been informed that their ideas have been passed on to the appropriate departments. In addition, Audit will continue to follow up on all the ideas after this process to evaluate their feasibility and to ensure they are given full attention by departments.

Q13: Are the department head recruitments going to be internal and external?

A: Four department director positions opened internally first. There were not five or more internal applicants for those so they were opened externally as well. The external portion of the recruitment process for those positions starts today.

Q14: If, for example, two senior people are getting eliminated, the more senior person bumps down. If the other person leaves the city and goes on the layoff list, what happens if one of those senior positions opens again in the future? Will the person who left or the person who bumped down be given that position?

A: (Human Resources Manager Renie Broderick) You could argue that either way – the issue of who has more rights. We will have to talk about that with the City Attorney's Office.

(City Manager Charlie Meyer) It can be discussed with the Six-Sided Partnership. We have bumping rules but have never had to use them before and there are going to be unanticipated scenarios like these. When all of this is over, we will be looking to learn from this process and perhaps modify our rules and regulations.

Q15: If this happens again, is there any thought of not having bumping and layoffs based all on seniority?

A: The idea of balancing seniority and merit is interesting. There is nothing inherently wrong with using seniority. But merit and seniority don't always match up and people feel you have to let go of the wrong people. We have systems in place that deal with merit. Using those systems would mean that long-tenured people will have had their work tested over time and they will in theory be the best employees. When you start to address

employment issues, you start to raise the bar. There isn't any reason why we can't have high-performing people across the board.

Q16: Once you start to get toward the middle of restorations, things get less straightforward. Could there be ways to restore portions of line items instead of restoring them in their entirety?

A: Some items can't be divided up. In the PD, if seven officers are running a program, if we eliminate the program, they would be redeployed elsewhere in the department. We won't compromise emergency response time but that does compromise special programs. Fire is more difficult because their proposals are entire companies. But other things could be split.